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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

SEC FILE NUMBER
8-65505

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2004 AND ENDING 12/31/2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Mercadieu Securities LLC.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

3625 Quakerbridge Rd.
(No. and Street)
Hamilton NJ 08619
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Rosenberg Rich Baker Berman + Company
(Name - if individual, state last, first, middle name)
380 Foothill Rd. Bridgewater NJ 08807
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

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FINANCIAL

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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SO
3/16/05

OFFICE

OATH OR AFFIRMATION

I, Kenneth Kamen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Mercadieu Securities LLC., as of 12/31, 2005, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

ERIN M. PANCHISON
NOTARY PUBLIC OF NEW JERSEY
My Commission Exp. Aug. 14, 2008

Erin M. Panchison
Notary Public

[Signature]
Signature
President
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Mercadien Securities, LLC
Financial Statements and Supplementary Schedules
Pursuant to Rule 17a-5 of the
Securities and Exchange Commission
Year Ended December 31, 2004

Mercadien Securities, LLC
Index to the Financial Statements
December 31, 2004

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Rosenberg Rich
Baker Berman
& C O M P A N Y
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★ Certified Financial Planner
△ Certified Fraud Examiner

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111 Dunnell Road
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Independent Auditors' Report

To the Members of
Mercadien Securities, LLC

We have audited the accompanying statement of financial condition of Mercadien Securities, LLC as of December 31, 2004 and the related statements of operations, changes in members' equity, and cash flows that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mercadien Securities, LLC as of December 31, 2004 and the results of its operations and its cash flows in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rosenberg Rich Baker Berman & Company

Bridgewater, New Jersey
February 23, 2005

Mercadien Securities, LLC
Statement of Financial Condition
December 31, 2004

Assets	
Current Assets	
Cash	\$ 36,990
Deposit with clearing agent	50,000
Receivable from clearing agent	6,080
Prepaid expenses	<u>3,409</u>
Total Assets	<u><u>96,479</u></u>
Liabilities and Members' Equity	
Current Liabilities	
Accounts payable	<u>3,002</u>
Total Liabilities	3,002
Commitments and Contingencies	-
Members' Equity	<u>93,477</u>
Total Liabilities and Members' Equity	<u><u>\$ 96,479</u></u>

Mercadien Securities, LLC
Statement of Operations
Year Ended December 31, 2004

Revenues	
Commissions	\$ 115,068
Investment banking	10,000
Interest income	<u>702</u>
Total revenues	\$ <u>125,770</u>
Operating Expenses	
Administrative charges	12,000
Management fees	90,000
Outside services	3,000
Customer clearance expense	10,986
Professional memberships	1,630
Staff recruitment	150
Publications	3,111
Stationary and office supplies	1,030
Postage	182
Telephone	3,000
Other taxes	100
Legal and collections	6,427
Occupancy	18,000
Miscellaneous	<u>293</u>
Total Operating Expenses	<u>149,909</u>
Net Loss	\$ <u><u>(24,139)</u></u>

Mercadien Securities, LLC
Statement of Changes in Members' Equity
Year Ended December 31, 2004

	<u>Contributed Capital</u>	<u>Retained Deficit</u>	<u>Total</u>
Balance, January 1, 2004	\$ 239,500	\$ (84,884)	\$ 154,616
Capital Draws by Members' - Cash	(70,000)	-	(70,000)
Capital Contributions by Member - Services	33,000	-	33,000
Net Loss for the Year Ended December 31, 2004	<u>-</u>	<u>(24,139)</u>	<u>(24,139)</u>
Balance, December 31, 2004	<u>\$ 202,500</u>	<u>\$ (109,023)</u>	<u>\$ 93,477</u>

See accompanying notes to the financial statements.

Mercadien Securities LLC
Statement of Cash Flows
Year Ended December 31, 2004

Cash Flows From Operating Activities	
Net Loss	\$ (24,139)
Adjustments to Reconcile Net (Loss) to Net Cash Used by	
Operating Activities:	
Contributed services by member	33,000
Decreases (Increases) in Assets	
Deposit with clearing agent	32
Receivable from clearing agent	(6,080)
Prepaid expenses	(3,069)
Increases (Decreases) in Liabilities	
Accounts payable	<u>(131)</u>
Net Cash Used by Operating Activities	<u>(387)</u>
Cash Flows From Financing Activities	
Members' capital draws	<u>(70,000)</u>
Net Cash (Used) by Financing Activities	<u>(70,000)</u>
Net Decrease in Cash	(70,387)
Cash, Beginning of Period	<u>107,377</u>
Cash, End of Period	\$ <u><u>36,990</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION	
Interest paid	\$ <u><u>-</u></u>
Income taxes paid	\$ <u><u>-</u></u>

See accompanying notes to the financial statements.

NATURE OF THE BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Business

Mercadien Securities, LLC (the Company) is a Registered Broker Dealer with the Securities and Exchange Commission (SEC) and a member of the National Association of Securities Dealers (NASD). The Company is a brokerage firm that sells securities and provides investment banking and investment advisory services to corporations and individuals located in New Jersey.

Estimates and Uncertainties

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates.

Income Taxes

The Company is taxed as a partnership for federal income tax purposes and, thus, no income tax expense has been recorded in the financial statements. Taxable income of the Company is passed through to the members and reported on their individual tax returns.

CONCENTRATIONS OF BUSINESS AND CREDIT RISK

At times throughout the year, the Company may maintain certain bank accounts in excess of FDIC insured limits.

NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1 which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2004, the Company had net capital of \$90,068, which was \$40,068 in excess of its required net capital. The Company's net capital ratio was .03 to 1.

RELATED PARTY TRANSACTIONS

The Company leases office space in Princeton from a member on a month to month basis currently at a rate of \$1,500 per month. Rent expense under this agreement amounted to \$18,000 for the year ended December 31, 2004.

One of the Company's members also provides the Company with certain administrative and support services on a month to month basis. Expenses under this arrangement amounted to \$15,000 for the year ended December 31, 2004.

In lieu of payment for rent and administrative expenses, the member and Company agreed to record these transactions as paid-in capital in 2004.

The Company collects asset management fees on behalf of a related Company. The Company then remits those fees to the related Company. During the year ended December 31, 2004, the Company collected and remitted \$90,000 under this arrangement.

Mercadien Securities, LLC
Supplementary Information
Computation of Net Capital Under Rule 15c3-1 of
the Securities and Exchange Commission
December 31, 2004

NET CAPITAL

Total Members' Equity	\$ 93,477
Deductions and/or Charges:	
Non-Allowable Assets:	
Prepaid expenses	<u>3,409</u>
Total Non-Allowable Assets	<u>3,409</u>
Net Capital	<u>\$ 90,068</u>

AGGREGATE INDEBTEDNESS	<u>\$ 3,002</u>
------------------------	-----------------

COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS

Minimum net capital required	<u>\$ 200</u>
Minimum dollar net capital requirement	<u>\$ 50,000</u>
Excess Net Capital at 1,500 percent	<u>\$ 40,068</u>
Excess Net Capital at 1,000 percent	<u>\$ 89,767</u>
Ratio of Aggregate Indebtedness to Net Capital	<u>.03 to 1</u>

There are no material differences between the computation of net capital presented above and the computation of net capital reported in the Company's unaudited Form X-17A-5, Part IIA filing as of December 31, 2004.

Mercadien Securities, LLC
Computation for Determination of Reserve Requirements
Under Rule 15c3-3 of the Securities and Exchange Commission
As of December 31, 2004

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The Company claims an exemption from the reserve requirement under paragraph (k)(2)(ii) of Rule 15c3-3.

Rosenberg Rich Baker Berman & COMPANY

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Independent Auditors' Report on Internal Accounting Control Required by SEC Rule 17a-5

To the Members of
Mercadien Securities, LLC

In planning and performing our audit of the financial statements of Mercadien Securities, LLC (the Company) for the year ended December 31, 2004, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures followed by the Company including tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that the assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected with a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities and Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2004, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the Securities and Exchange Commission, National Association of Securities Dealers, and various state regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Rosenberg Rich Baker Berman & Company

Bridgewater, New Jersey
February 23, 2005